

**COMMONWEALTH OF MASSACHUSETTS
DIVISION OF HEALTH CARE FINANCE AND POLICY
TWO BOYLSTON STREET
BOSTON, MASSACHUSETTS 02116**

**Quarterly Financial Submissions
Quarterly Bed and Utilization Submissions
Annual Financial Submissions and Filing of Audited Financial Statements**

GENERAL INSTRUCTIONS

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Section I: Quarterly and Annual Financial Submissions

Standards

Quarterly and Annual Financial submissions represent cumulative, year-to-date data from the hospital's Balance Sheet, Statement of Operations and Statement of Cash Flow. These statements must be prepared in accordance with Generally Accepted Accounting Principles (**GAAP**) as issued by the Financial Accounting Standards Board (**FASB**), or other appropriate accounting standards given the organization's governance, such as the Government Accounting Standards Board (**GASB**).

These statements must also be prepared in accordance with general industry practice, as evidenced in the American Institute of Certified Public Accountants AICPA Audit and Accounting Guide, Health Care Organizations. The format of the Quarterly Financial Submission shall follow the Screens shown in Appendix B.

On-Line Submission

Each hospital is strongly encouraged to file this data electronically via *DHCFP-INET*, the Division's Web site for on-line data submission by providers and other organizations. To submit data on-line, hospitals should complete a Data Reporting Agreement for their organization, and separate User Agreements for those individuals, either employees or agents/contractors, who will be inputting/sending data via the Web site. Once these forms have been signed and returned to the Division, each user will be issued a Logon ID and password, with instructions on how to get to the appropriate Web site for submission of data. If your hospital has not received these forms already, you may download them by going to <http://www.state.ma.us/dhcfp/pages/dhcfp218.htm>.

ALERT

Users should be aware that there is a 25-minute time-out when on on-line. If a user does not press a key for 25 minutes, he/she will be logged out and placed back at the sign-on screen. This means that any information that has not been saved will be LOST. Therefore, users should get the information ready before logging on, and be sure to SAVE information before going off or looking for information. Users can save data and reenter the on-line data screens many times until the data is actually submitted, so users should save data frequently during any session.

Requirements If Not Submitting On-Line

If you do not file the first submission on-line, you may enter your information long hand into the hard copy screens provided in Appendix B. These are exact replicas of the screens you would see at the Web site were you entering data on-line. Instructions for the data to be entered into these screens are the same as those for on-line submission.

Comments

A hospital may wish to disclose information it feels would provide explanation and clarification of data presented and provide Division staff and the public with additional useful information that might not be evident from the financial statements alone.

In addition, for the first filing, hospitals must provide footnotes and explanations of any non-compliance with GAAP or FASB, which affects the filing's contents. All such disclosures can be entered into a "Comment" box provided on the Web screen at the end of the Quarterly or Annual Financial submissions, below the Statement of Cash Flow (the comment area is limited to 5,000 characters.) or if filing in hard copy, may be attached to the filing.

Changes to Submitted Data

Once reports are submitted on-line, hospitals may request an opportunity to make adjustments up to 20 days following the due date. Requests must be made through the Web site application. There will be a Menu selection for requesting a re-opening of the hospital's data. The request must include specific supporting reasons. If approved by the Division, the hospital will be notified by e-mail, and the submission screen for the hospital will be unlocked for a limited period.

Note: The same 20-day period to request filing adjustments will be afforded to any hospital that files by using photocopies of the screens. The request should be made by telephoning or faxing the Director, Health Policy Data Group.

Due Dates – Quarterly Report

Due dates for the quarterly report submissions are:

November 15th

February 15th

May 15th

August 15th

For all quarterly submissions, the data filed must reflect cumulative (year-to-date) information ending with the most recently completed fiscal quarter.

November 15 Submission

For this submission, and the subsequent three quarterly submissions, the table below gives examples (by fiscal year end) of the periods for which data must be filed for the first year. Data submissions follow hospitals' own fiscal years. In subsequent years, the same pattern should be followed.

Hospital's Fiscal Year End	Cumulative, Year-to-Date period covered
On or before September 30, 2002	12 months of Fiscal 2002
After September 30, 2002	Nine months of Fiscal 2002

For all subsequent quarterly submissions, the hospital will submit data reflecting cumulative, year-to-date data up through the most recent quarter that ended on or prior to the submission deadlines. The tables below show examples for the February, May and August due dates by hospital fiscal year end.

February 15, 2003 submission

Hospital's Fiscal Year End	Cumulative, Year-to-Date period covered
March 31	(9 months) April 1, 2002 through December 31, 2003
May 31	(6 months) June 1, 2002 through November 30, 2003
June 30	(6 months) July 1, 2002 through December 31, 2003
September 30	(3 months) Oct 1, 2002 through Dec 31, 2003
December 31	(12 months) January 1, 2002 through Dec 31, 2003

May 15, 2003 submission

Hospital's Fiscal Year End	Cumulative, Year-to-Date period covered
March 31	(12 months) April 1, 2002 through March 31, 2003
May 31	(9 months) June 1, 2002 through February 28, 2003
June 30	(9 months) July 1, 2002 through March 31, 2003
September 30	(6 months) Oct 1, 2002 through March 31, 2003
December 31	(3 months) January 1, 2003 through March 31, 2003

August 15, 2003 submission

Hospital's Fiscal Year End	Cumulative, Year-to-Date period covered
March 31	(3 months) April 1, 2003 through June 30, 2003
May 31	(12 months) June 1, 2002 through July 31, 2003
June 30	(12 months) July 1, 2002 through June 30, 2003
September 30	(9 months) Oct 1, 2002 through June 30, 2003
December 31	(6 months) January 1, 2003 through June 30, 2003

Submission Extensions

The Division does not favor extensions of time for submission of any of the reports described herein. The Division may, for a demonstrated good cause, extend the submission date of the requested information, in response to a written request for an extension of time. Such requests should be directed to:

Director
Health Data Policy Group
Massachusetts Division of Health Care Finance and Policy
2 Boylston Street
Boston, MA 02116

Telephone: (617) 988-3140
FAX: (617) 727-7662

Annual Submission and Audited Financial Statements – Additional requirements

The Annual Report will consist of a cumulative 12 months of data for the fiscal year. This data must reflect all internal adjustments that are self-initiated by the hospital, as well as all adjustments initiated by the independent auditors, as reflected in the Audited Financial Statements (or the internal financial statements of the hospital if the audit is at the consolidated or combined level).

If the data submitted in the Annual Report differs from the Audited Financial Statements, or where appropriate, from the hospital's internal financial statements, then the hospital must reconcile the submitted data to the Audited/internal statements. The amount of the reconciliation and an explanation of the reconciliation must be provided with the Annual Report.

Hospitals must also file two hard copies of their Audited Financial Statements with the Division. If a hospital has a parent company, then two hard copies of the parent company's Audited Financial Statements must also be filed.

If an audit is done ***only at*** the consolidated or combined level, ***two hard copies of the internal financial statements of the hospital (subsidiary) must be filed.*** These internal financial statements must reconcile to the Consolidated or Combined Audited Financial Statements. They must be accompanied by a signed statement by the parent organization's chief financial officer attesting that the information contained in the report fairly represents, in all material respects, the financial condition and result of operations of the subsidiary hospital. The signed statement must also attest that the internal financial statements are a fair representation of the endowments, reserves, cash flows and general viability of the subsidiary hospital. ***In no case may consolidated or combined Audited Financial Statements be substituted for financial statements of the hospital.***

Due Dates – Annual Submission and Audited Financial Statements

The submission due date for the Annual Report and the Audited Financial Statements (and attested-to internal financial statements if necessary) is 100 days following the close of the hospital's fiscal year. Those hospitals whose Fiscal 2002 year ended on or prior to September 30, 2002 must file their Annual Report and Audited Financial Statements (with attested-to internal financial statements if necessary) by January 10, 2003.

For hospitals whose Fiscal 2002 year ended after September 30, 2002, and for all subsequent years, the table below indicates, for various fiscal year ends, the due dates for the Annual Report submission, as well as the Audited Financial Statements.

Fiscal year End	Annual Report and Financial Statements Due Date
March 31	July 10th
May 31 st	September 10 th
June 30 th	October 10 th
September 30 th	January 10 th
December 31 st	April 10th

Section II: Data Explanations/Definitions for Quarterly and Annual Financial Submissions

Explanations and definitions of each data item required for both the Quarterly Financial and the Annual Financial submissions appear below.

Year-to-Date through Quarter

Menu Drop Down Item – indicate through which quarter you are submitting for

Ending

Menu Drop Down Item – indicate the ending date of the period you are submitting for

NOTE: For financial items below, unless otherwise indicated, the format should be fixed, with no decimal places and no commas or other non-numeric indicators. Report data in whole dollars.

Balance Sheet

<u>Line #</u>	<u>Data Item</u>	<u>Explanation/Definition</u>
4	Balance Sheet-	Heading - non input.
5	Current Assets	Heading - non input.
6	Cash and Cash Equivalents	Cash Equivalents are short term, highly liquid investments (including notereceivables) with a maturity of 3 months or less, excluding amounts whose use is limited by Board designation or other arrangements under trust agreements or with third party payers.
7	Short-term Investments	Investments in equity or fixed-income securities with a maturity of 3 to 12 months.
8	Current Assets - Whose Use is Limited	Any current portion of assets whose use is limited, either identified as board-designated, trustee-held, and other designations.
9	Receivables	Heading - non input.

10	Net Patient Accounts Receivable	Patient accounts receivable, less an allowance for uncollectibles and contractual adjustments.
11	Due From Affiliates	Transferred funds (including loans, advances transfers and equity contributions made) that are expected to be received from affiliated entities within the current accounting period.
12	Third party Settlements Receivable	Includes amounts reported as current that represent final settlements due to the hospital.
12.1	Other Current Assets	Includes receivables and all other current assets except those cited in 10, 11 & 12.
16	Total Current Assets	Total of rows 6 through 15.
17	Noncurrent Assets	Heading - non input.
18	Noncurrent Assets - Whose is Use is Limited	Any noncurrent portion of assets whose use is limited, either identified as board-designated, trustee-held, and other designations.
19	Contribution Receivables	Includes contributions, pledges, gifts, and bequests from donors that are not expected to be collected during the current period.
19.1	Interest in Net Assets	FASB Statement #136 requires recipient organizations to recognize the beneficial interest in net assets of a beneficiary organization if those entities have an on-going economic interest in one another. This beneficial interest is executed in the form of 'contribution' through transfers or promises to transfer cash and investments, as well as other assets, such as land, buildings, use of facilities or utilities, materials and supplies, intangible assets and services.

22	Investments In Affiliates	Amount recorded as equity investments in other entities, which are related to the hospital.
25	Gross Property, Plant and Equipment	Gross value of land, buildings, equipment, construction in progress, and capitalized leases.
26	Accumulated Depreciation	Includes depreciation of PP&E and amortization of capitalized leases.
27	Net PP&E	Net amount of land, buildings, equipment, construction in progress, and capitalized leases.
27.1	Other Non-current Assets	All other non-current assets.
28	Total Non-current Assets	Total of rows 18, 19,19.1,22,27,27.1.
29	Total Assets	Total of rows 16 and 28.
30	Liabilities and Net Assets	Heading - non input.
31	Current Liabilities	Heading - non input.
32	Current Long-Term Debt	Current portion of long-term debt, capital leases and notes payable.
34	Current Liability- Estimated Third Party Settlements	Amounts received from third parties which may be in excess of allowable amounts and may therefore be paid back to third parties or else resolved favorably and recognized as revenue in the future. Also the current portion of deferred revenue.

35	Current Liability- Due to Affiliates	Transferred funds (including loans, advances, transfers and equity contributions received) that are expected to be paid or returned to affiliated entities, within the current accounting period.
36	Other Current Liabilities	All other current liabilities.
37	Total Current Liabilities	Total of rows 32 through 36.
38	Non-current Liabilities	Heading - non input.
39	Long-Term Debt	Includes long-term debt (do not include current portion), obligations under capital leases, and notes payable.
42	Non-current Liability- Due to Affiliates	Transferred funds (including loans, advances, transfers and equity contributions received) that are expected to be paid or returned to affiliated entities, beyond the current accounting cycle.
44	Other Non-current Liabilities	All other non-current liabilities.
45	Total Non-current Liabilities	Total of rows 39 through 44.
46	Total Liabilities	Total of rows 37 and 45.
47	Net Assets	Heading - non input.

48	Unrestricted Net Assets	The part of net assets that is neither permanently restricted nor temporarily restricted by donor imposed stipulations.
49	Temporarily Restricted Net Assets	The part of the net assets resulting from (i) contributions and other assets whose use is limited by donor imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions pursuant to those stipulations, (ii) other asset enhancements and diminishments subject to the same kind of stipulations, or (iii) reclassification to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions pursuant to those stipulations.
50	Permanently Restricted Net Assets	The part of the net assets resulting from (i) contributions and other assets whose use is limited by donor imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of the organization, (ii) other asset enhancements and diminishments subject to the same kind of stipulations, and (iii) reclassification to (or from) other classes of net assets as a consequence of donor-imposed stipulations.
51	Total Net Assets	Total of rows 48 through 50.
52	Total Liabilities and Net Assets	Total of rows 46 and 51.

53	Statement of Operations	Heading - non input.
54	Unrestricted Revenue, Gains and Other Support	Heading - non input.
55	Net Patient Service Revenue (including Premium Revenue)	Total inpatient and outpatient revenue after deductions for free care charges and contractual adjustments. To be included in NPSR are (i) Prior year third party settlements, (ii) Gross receipts for emergency bad debts and (iii) Free care costs expected to be recovered from the uncompensated care pool. (iv) Premium Revenue, which means, fixed amount (per individual) paid by HMOs periodically to provider as compensation for providing comprehensive services for the period.
57	Other Operating Revenue	Includes revenue from services other than health care provided to patients, as well as sales & services to non-patients.
57.1	Net Assets Released From Restrictions Used For Operations	Net assets released from donor restrictions by incurring expenses and thus satisfying donor stipulations <u>or</u> by occurrence of other events or passage of a particular time period specified by the donor(s).
57.2	Total Operating Revenue	Total of rows 55, 57 and 57.1.
58	Investment Income	All investment income (includes interest income, dividend income and realized gains (losses) from sale of investments actively traded as well as interest income and dividend income on passive investments.
58.1	Contribution Revenue	Donation, gift or bequest of cash or other assets from a donor, and that are not revocable, repayable or reciprocal.

58.2	Change in Interest in Net Assets	Revenue from Interest in Net Assets. For definition of Interest in Net Assets, see 19.1.
59	Non-operating Gains(Losses)	These are gains and losses that result from a providers peripheral or incidental transactions. These may include- (i) Subsidies received from governmental or community agencies. (ii) Net realized gains/losses resulting from increases and decreases in the value of 'passive' investments. (iii) Gains/losses on sale or disposal of assets.
64.1	Total Non-operating Revenue	Total of rows 58, 58.1, 58.2 and 59.
65	Total Unrestricted Revenue Gains and Other Support	Total of rows 57.2 and 64.1.
66	Expenses	Heading - non input.
66.1	Salary and Benefit Expense	Includes salaries, wages and cost of fringe benefits such as paid vacations and contribution to pension funds. Salaries refer to amounts of compensation. Wages refer to the pay earned by employees at a certain rate per hour, day or week.
68	Depreciation and Amortization	Depreciation is the allocation of the cost of tangible fixed assets. Amortization refers to allocation of the cost of intangible assets (for example, periodic payments on Capital Leases).
69	Interest Expense	A charge made for the use of money over a period of time.
70	Gross Uncompensated Care Pool Assessment	This includes Gross Assessment to the Uncompensated Care Pool.
71	Provision for Bad Debt	Allowances for uncollectible and doubtful accounts.

72	Other Operating Expenses	All other expenses not reported in rows 67 through 71.
73	Total Expenses	Total of rows 66.1, 68, 69, 70, 71 and 72.
74	Excess of Revenue, Gains and Other Support Over Expenses	Row 65 minus row 73.
74.1	Changes in Unrestricted Net Assets, before Extraordinary Item	Heading - non input.
78	Transfers From (To) Parent/Affiliates	Includes funds transferred from (to) parent and affiliates.
78.1	Other Changes in Unrestricted Assets	Any changes in unrestricted net assets except Net 74 and 78.
79	Total Increase/Decrease in Unrestricted Net Assets, before Extraordinary Items	Total of rows 74, 78, and 78.1
80	Extraordinary Gains (Losses)	Any gains (losses) resulting from transactions that are unusual in nature or infrequent in occurrence.
81	Changes in Accounting Principle/Other	Any adjustments resulting from changes in accounting principle.
82	Total Increase/Decrease in Unrestricted Net Assets	Total of rows 79 through 81.

106	Statement of Cash Flows	Heading - non input.
107	Cash Generated From Operating Activities	Heading - non input.
108	Change in Net Assets	Increase/decrease in net assets.
109	Adjustments to Reconcile Change In Net Assets to Net Cash provided by Operating Activities	Non-cash items, non-operating cash flows and changes in operating assets and liabilities.
114	Transfers From (To) Parent/Affiliates.	Includes funds transferred from (to) parent/affiliates.
114.1	Other Increases (Decreases) to Cash	All other increases/decreases in cash (working capital) except 109 and 114.
139	Net Cash provided by Operating Activities	Total of rows 108, 109, 114 and 114.1.
140	Cash Flows From Investing Activities	Heading – non-input.
146	Capital Expenditures	Includes acquisition of property, plant and equipment.
146.1	Other Cash Used in Investing Activities	Other current and noncurrent changes in assets as a result of investing activities, except 146.
153	Net Cash Used in Investing Activities	Total of rows 146 and 146.1.
154	Cash Flows From Financing Activities	Heading – non-input.
155	Proceeds from Issuance of Long-Term Debt and Capital Lease Obligations	Includes cash proceeds from long-term debt and capital leases.

156	Payments on Long Term Debt and Capital Lease Obligations	Includes repayment of long-term debt and capital leases.
158	Transfers From (To) Parent/Affiliates	Includes funds transferred from (to) parent/affiliates.
158.1	Other Cash Used in Financing Activities	Any inflow/outflow of cash used for financing purposes and not listed on Line 155, 156 and 158.
165	Net Cash Used in Financing Activities	Total of rows 155,156,158,158.1.
166	Net (Decrease) Increase in Cash and Cash Equivalent	Total of rows 139, 153 and 165.
167	Cash and Cash Equivalents, Beginning of Year	Balance of cash and cash equivalents at beginning of year.
168	Cash and Cash Equivalents, End of Year	Total of rows 166 & 167.

Section III: Bed Information: Definitions and Instructions

Licensed Beds is defined as the actual number of licensed beds on the 2nd Wednesday of the first month of the quarter. For the first submission, licensed beds should be the number of licensed beds at the close of the last quarter, or on the date the data is submitted or filed with the Division. If the hospital cannot report beds on the submission/filing date, please report for a day as close to this date as possible, and indicate the date on your report (in the Comment Area if submitting on-line). Please use a non-holiday weekday.

Weighted Average Available Beds is defined as the average number of licensed beds that were physically available for immediate patient use, whether or not staffed, excluding beds not immediately available because of renovation or maintenance, physical plant problems, or similar issues. This number will be calculated as follows: the sum of the number of calendar days each bed was available, divided by number of days in the quarter. For the first submission, available beds should be the number of available beds at the close of the last quarter, or on the date the data is submitted or filed with the Division. If the hospital cannot report available beds on the submission/filing date, please report for a day as close to this date as possible, and indicate the date on your report (in the Comment Area if submitting on-line). Please use a non-holiday weekday.

Staffed Beds is defined as the actual number of staffed licensed beds on the 2nd Wednesday of the first month of the quarter. If a bed was staffed for less than 24 hours in any given day, include the appropriate portion of the day that the bed was staffed. For example, if the bed was set up and staffed for only 12 hours, then only $\frac{1}{2}$ bed should be included in the calculation for the day of staffed beds. For the first submission, staffed beds should be the number of staffed beds at the close of the quarter, or on the date the data is submitted or filed with the Division. If the hospital cannot report available beds on the submission/filing date, please report for a day as close to this date as possible, and indicate the date on your report (in the Comment Area if submitting on-line). Please use a non-holiday weekday.

Please provide the bed information for the above three types of beds for each of the bed categories provided in the form.

The categories listed in lines 1 through 19 are mutually exclusive. Do not double count individual beds by including them in more than one category.

Line #(2) Include beds in adult intensive care units that combine coronary intensive care with other types of intensive care in a single unit.

Line #(3) Include beds in all adult medical and/or surgical intensive care units, except for those in coronary intensive care units (line 4) or combined intensive care/coronary intensive care units (line 2).

Line #(4) Include only those beds in an intensive care unit devoted solely to coronary care patients. Do not include beds in units devoted to coronary care but not at an intensive level of care.

Line #(20) Key in your calculated total bed count and review the "pop-up box" for agreement, to check for any data keying errors.

Section IV: Utilization Information: Definitions and Instructions

Ambulatory surgery is defined as surgical services to patients not normally requiring an overnight stay. This statistic must include visits by ambulatory surgery patients at all campuses and satellite locations.

Total outpatient visits is defined as the total of all visits for services not provided on an inpatient basis. This statistic must include all patients at all campuses and satellite locations.

This total should include visits for any of the following services, as well as any other outpatient service your hospital provides: Emergency services, clinic, satellite clinic (including community health service), ambulatory surgery, ambulatory renal hemodialysis (count 1 treatment equal to 1 visit), home dialysis services (count 1 peritoneal dialysis (PD) treatment day equal to 3/7 of a visit), psychiatry, home health services, observation stays (distinct or nondistinct unit), private referrals, endoscopy, oncology, minor OR, hospice, cardiac rehab, cardiac treatment center, pediatric clinic, adult day health.

For Ambulatory Surgery and Total Outpatient Visits, provide visit counts for each of the three months of the quarter. Also, key in your calculated total for the quarter for each, and review the "pop-up box" for agreement, to check for any data keying errors.